

Message Text

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ACTION NEA-10

INFO OCT-01 EUR-12 ISO-00 NEAE-00 SSC-01 CIAE-00 DODE-00
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SP-02 SS-15 USIA-06 IO-13 SSM-03 OMB-01 TRSE-00 SAJ-01
ACDA-07 /094 W
-----131808Z 032328 /41

R 131705Z JAN 77
FM AMEMBASSY DAMASCUS
TO SECSTATE WASHDC 1303
INFO AMEMBASSY AMMAN
AMEMBASSY BEIRUT
AMEMBASSY CAIRO
AMEMBASSY JIDDA
AMEMBASSY LONDON
AMEMBASSY TEL AVIV

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E.O. 11652: GDS
TAGS: PINT, SY
SUBJECT: PRIMIN KHULAYFAWI REPORTEDLY TENDERS RESIGNATION:
OTHER CABINET CHANGES RUMORED

1. SUMMARY: RELIABLE SOURCES HAVE REPORTED THAT PRIMIN KHULAYFAWI HAS TENDERED HIS RESIGNATION TO PRES. ASAD. ACCORDING TO ONE MINISTER, ASAD WILL NOT ACCEPT RESIGNATION WHILE OTHER SOURCES SPECULATE KHULAYFAWI MUST STAY AT LEAST UNTIL ELECTION CAMPAIGN FOR PEOPLE'S COUNCIL UNDERWAY IN LATE SPRING. KHULAYFAWI REPORTEDLY FRUSTRATED OVER LACK OF PROGRESS ON STIMULATING BUREAUCRATIC PRODUCTIVITY, ENDING CORRUPTION AND LACK OF RESOURCES, PARTICULARLY OIL STATES ASSISTANCE, TO REVIVE ECONOMY. HE ALSO ECOUNTERED SERIOUS PERSONALITY DISPUTES WITH NOMINAL SUBORDINATES SUCH AS POWERFUL INTERIORMIN DABBAGH, AND HIS FORCEFUL STYLE OF GOVERNING HAS ALIENTATED MANY OFFICIALS. RELATED RUMORS PREDICT REPLACEMENT OF MINDEF TLASS, MINTERIOR DABBAGH, AND POSSIBLY MINHOUSING TAYYARA.

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END SUMMARY.

2. SEVERAL USUALLY RELIABLE LOCAL SOURCES HAVE REPORTED TO US PRIMIN KHULAYFAWI'S DISSATISFACTION WITH HIS JOB AND INTENTION TO RESIGN. WE ASKED ONE SOURCE TO CHECK WITH VETERAN BAATHIST WHO IS INTIMATE OF PRIMIN. SUB-SOURCE REPORTED THAT RUMORS WERE TRUE; KHULAYFAWI

HAD SUMMITTED HIS RESIGNATION TO PRES. ASAD PRIOR TO HIS TRIP TO BUCHAREST DEC. 23-26. HE ADDED THAT KHULAYFAWI WILL STAY ON UNTIL ELECTION CAMPAIGN UNDERWAY FOR NEW PEOPLE'S COUNCIL (ELECTION REPORTEDLY SCHEDULED FOR JUNE, BUT CAMPAIGN WILL PROBABLY BEGIN WELL IN ADVANCE OF THIS DATE), BUT HOPES PRES. WILL ACCEPT HIS RESIGNATION BY FEBRUARY AND FORM CARETAKER CABINET TO OVERSEE ELECTIONS. RUMORED POSSIBLE SUCCESSORS INCLUDE MAHMUD AYYOUBI, NAJI JAMIL AND ADNAN DABBAGH.

3. WE HAVE NO INDICATION THAT PRES. ASAD HAS OR WILL ACCEPT HIS PRIMIN'S RESIGNATION, BUT FROM WHAT IS BEING SAID KHULAYFAWI APPARENTLY FEELS HIGHLY FRUSTRATED IN HIS JOB AND SEEMS DETERMINED TO LEAVE. HE REPORTEDLY BELIEVES THAT IT HAS BECOME IMPOSSIBLE FOR HIM TO FULFILL HIS MANDATE TO IMPLEMENT DOMESTIC REFORMS AND STIMULATE ECONOMY AND BUREAUCRATIC EFFICIENCY. HE ORIGINALLY CAPTURED PUBLIC ATTENTION BY RESTING LOW-LEVEL OFFICIALS FOR CORRUPTION, BUT HE VERY QUICKLY RAN INTO HIGH-LEVEL OPPOSITION TO ROOTING OUT CORRUPTION AT SENIOR LEVELS. SINCE CORRUPTION AT SENIOR LEVEL OF SARG IS GENERAL PUBLIC KNOWLEDGE, KHULAYFAWI'S CAMPAIGN AGAINST MINOR OFFICIALS MAY EVEN HAVE BACKFIRED. ONE MEASURE OF KHULAYFAWI'S FAILURE ON THIS FRONT MAY HAVE BEEN ANNOUNCEMENT CARRIED BY DEC. 15 MEDIA APPEALING TO CIVIL SERVANTS AND CITIZENS IN GENERAL TO INFORM GOVERNMENT OF INCIDENTS INVOLVING BRIBERY AND VARIOUS FINANCIAL MALPRACTICES. DAMASCENES SEEMED BLASE, IF NOT OUTRIGHT CYNICAL, TOWARD THIS ANNOUNCEMENT. ACCORDING TO ONE REPORT, PRESIDENT'S

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BROTHER, RIF'AT AL-ASAD, HAS PERSONALLY INTERVENED TO PREVENT CRACK DOWN ON ILLEGAL AUTOMOBILE SALES WITH WHICH HE INVOLVED.

4. ON ECONOMIC FRONT, KHULAYFAWI HAS ACHIEVED NO NOTABLE SUCCESS IN GETTING PROJECTS STALLED BY BUDGET SHORTFALL, GENERATED BY LEBANESE CRISIS, BACK ON TRACK. THIS DEFICIENCY, HOWEVER, CANNOT RESONABLY BE LAID AT HIS DOOR SINCE MANY PROJECTS WERE TO BE FUNDED BY GULF STATES, WHICH HAVE BEEN GENERALLY STINGY WITH SYRIA IN PAST YEAR (SEE 76 DAMASCUS 8637). BUT PRIMIN HAS TAKEN POLITICAL HEAT FOR EFFECTS OF ECONOMIC CRISIS; ECONMIN IMADI NOTED IN REFTEL THAT RISE IN PRICE OF GASOLINE HAD PUT HIM IN KHULAYFAWI'S BLACKBOOK BECAUSE KHULAYFAWI CONSIDERED SUCH CHANGES POLITICALLY DESTABILIZING IN GENERAL AND POLITICALLY DIS-ADVANTAGEOUS TO HIMSELF IN PARTICULAR.

5. IN ADDITION, KHULAYFAWI HAS LOST SOME IMPORTANT BATTLES WITH SYRIAN MILITARY OVER ISSUE OF WHETHER TO ALLOCATE

SCARCE RESOURCES TO ECONOMIC OR MILITARY SECTOR.
ACCORDING TO BRITISH EMBOFF, DEFMIN TLASS AND PRIMIN
ENGAGED IN HEATED ARGUMENT OVER THIS QUESTION, WITH
TLASS NATURALLY STRESSING OVERRIDING NECESSITY OF
MEETING SYRIA'S SECURITY NEEDS. ONE INDICATION THAT
TLASS WON HIS POINT WAS IMPLEMENTATION OF
TWENTY PERCENT PAY RAISE FOR MILITARY IN EARLY NOVEMBER.
SPECULATION THAT CIVIL SERVANTS WOULD BE GRANTED MORE OR
LESS COMMENSURATE SALARY RAISE BY JAN. 1 HAS SO FAR
PROVED INACCURATE. WE UNDERSTAND THAT PEOPLE'S COUNCIL
DEBATED ABOLITION OF WAR TAX -- TEN PERCENT SURTAX ON SYRIAN
TAXPAYER'S TAXES -- IMMEDIATELY PRIOR TO ITS
ADJOURNMENT IN LATE DECEMBER, BUT DID NOT REACH AGREEMENT
ON THIS MEASURE.

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6. KHULAYFAWI HAS NOT BEEN ABLE TO POINT TO MANY
SUCCESSES IN TERMS OF STIMULATING NOTABLY LAGGARD BUREAU-
CRACY. INDEED, HIS EFFORTS TO INTIMIDATE OFFICIALS INTO
GREATER RESPONSIVENESS THROUGH PUBLICIZED INSPECTIONS OF
BAKERIES, HOSPITALS, AIRLINE OFFICES, ETC., HAVE PROBABLY
WON HIM MUCH ILL-WILL FROM THOSE WHO HAVE FELT HIS WRATH
WHILE ANTI-CORRUPTION DRIVE AT SAME TIME HEIGHTENING
NORMAL TIMIDITY OF BUREAUCRATS WHO AFRAID TO PUSH PROJECTS
ALREADY APPROVED FOR FEAR THEY WILL BE ACCUSED OF HAVING

PERSONAL INTEREST IN PROJECT. FOR EXAMPLE, HIS WIDELY-PUBLICIZED VISIT SOME MONTHS AGO TO LOCAL HOSPITAL, DURING WHICH MEDIA NOTED HE FOUND PLENTY OF DEFICIENCIES TO CRITICIZE, WAS SEEN DIFFERNETLY BY STAFF. ONE DOCTOR INFORMED US THAT PRIMIN CHOSE HOLIDAY WHEN ONLY SKELETON STAFF ON DUTY TO TREAT EMERGENCY CASES. ONE DOCTOR WHO HE DRESSED DOWN WAS INDIVIDUAL WHO HAD RECENTLY WORKED AROUND CLOCK TREATING WOUNDED FROM FORCES WHICH STORMED SEMIRAMIS HOTEL AND WHO WAS EXPECTING TO HEAR PRAISE FOR CONFIDENTIAL

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HIS EFFORTS WHEN CALLED INTO PRIMIN'S PRESENCE.

7. WE ALSO UNDERSTAND THAT PERSONALITY DISPUTES HAVE TAKEN THEIR TOLL ON KHULAYFAWI. RELATIONS BETWEEN HIMSELF AND INTERIORMIN ADNAN DABBAGH HAVE BEEN STRAINED FOR MONTHS; DABBAGH, WHO PROMOTED TO INTERIOR AT COST OF GIVING UP POWERFUL POSITION AS CHIEF OF GENERAL INTELLIGENCE, REPORTEDLY SEEKING TO REPLACE KHULAYFAWI. PROBLEMS WITH RIF'AT, IMADI, AND TLASS NOTED ABOVE.

8. MINECON IMADI TOLD AMBASSADOR JANUARY 13 THAT ECONOMIC SITUATION WAS KHULAYFAWI'S PRIMARY FRUSTRATION, WHILE WELL-PLACED LOCAL BUSINESSMAN BELIEVES PERSONAL CONFLICTS WITHIN CABINET ARE CRUCIAL FACTOR. BOTH AGREE, HOWEVER, THAT IS UNLIKELY ASAD WILL ACCEPT KHULAYFAWI'S DEPARTURE. IMADI CITED BOTH ASAD'S WELL-KNOWN RELUCTANCE TO CHANGE MINISTERS AND FACT THAT HIS RESIGNATION WULD BE READ AS FAILURE OF REGIME'S EFFORTS TO TACKLE ECONOMIC PROBLEMS AND GOVERNMENTAL CORRUPTION. NOTED FORMER PRIMIN AYYOUBI WAITED SIXTEEN MONTHS FOR ASAD TO ACCEPT HIS RESIGNATION IN AUGUST 1976.

9. SEVERAL CABINET CHANGES ARE RUMORED WHETHER KHULAYFAWI STAYS OR GOES. DEFMIN TLASS AND INTERIORMIN DABBAGH ARE MOST FREQUENTLY MENTIONED. IMADI CONFIRMED TLASS HAS NOT ATTENDED RECENT CABINET MEETINGS. DEPUTY DEFMIN NAJI JAMIL IS CITED EITHER AS REPLACEMENT FOR TLASS OR AS POSSIBLE DEPUTY PRIME MINISTER FOR SECURITY AFFAIRS WHICH WOULD EMBRACE BOTH DEFENSE AND INTERIOR. MINHOUSING MUHARAM TAYYARA MAY ALSO BE IN DIFFICULTY AFTER FRONT PAGE ATTACKY BY PARTY NEWSPAPER AL-BAATH ON HIS MISHANDLING OF WATER/POLLUTION/SANITATION PROBLEMS IN BANIAS AND HIS ATTEMPTS TO SUPPRESS PUBLICITY ON ISSUE. TAYYARA IS MEMBER OF SOCIALIST UNIONIST PARTY. IF HE REMAINS IN OFFICE, IT WILL BE READ AS SIGN OF BAATH PARTY DISUNITY.

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